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8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**

10 SECURITIES AND EXCHANGE
11 COMMISSION,

12 Plaintiff,

13 v.

14 JAMES E. FRANKLIN, individually and
15 as trustee of Avalon Trust, et al.,

16 Defendant.

Case No.: 02cv0084 DMS (RBB)

**ORDER DENYING DEFENDANT
FRANKLIN'S MOTION FOR
RELIEF FROM FINAL JUDGMENT
AND MOTION TO VACATE PENNY
STOCK BAR**

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18 This case went to jury trial in this Court nearly 20 years ago. Defendant Franklin
19 represented himself during the trial, and after twelve days of trial and approximately four
20 days of deliberations, the jury returned a verdict in Plaintiff's favor. After post-trial
21 briefing on penalties, the Court entered a final judgment against Defendant Franklin
22 restraining and enjoining him from violating (1) Section 10(b) of the Securities and
23 Exchange Act and Rule 10b-5 promulgated thereunder, (2) Section 17(a) of the Securities
24 Act, (3) Sections 5(a) and 5(c) of the Securities Act, and (4) Section 17(b) of the Securities
25 Act. (ECF No. 421.) The Court also imposed a civil penalty on Defendant Franklin in the
26 amount of \$770,000. (*Id.*) Defendant Franklin appealed that decision to the Ninth Circuit,
27 which affirmed this Court's decision. (ECF No. 463.)

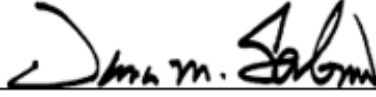
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1 More than seventeen years after the Ninth Circuit's decision, Defendant Franklin
2 filed the present motion for relief from the final judgment pursuant to Federal Rules of
3 Civil Procedure 60(b)(2) and 60(b)(6). (ECF No. 475.) Two days later, Defendant
4 Franklin filed a separate motion to vacate penny stock bar. (ECF No. 479.) After
5 Defendant Franklin filed eight supplemental briefs in support of his motions, Plaintiff filed
6 its response. Defendant Franklin then filed his reply followed by two more supplemental
7 briefs.

8 Having thoroughly considered all of the parties' briefs and the record in this case,
9 the Court denies Defendant's motions for all of the reasons set out in Plaintiff's response.
10 Accordingly, Defendant's motion for relief from final judgment and motion to vacate
11 penny stock bar are denied.

12 **IT IS SO ORDERED.**

13 Dated: July 30, 2025

14 
15 Hon. Dana M. Sabraw
16 United States District Judge
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